



The vision of the Village of Barrington is to preserve and promote its unique small town heritage, preserve its distinct ecological and historical character, provide a moral and safe environment, maintain a high quality of life through the efficient use of community resources, and respond to future challenges through citizen participation in all civic, social, and cultural endeavors.

The Community is committed to preserving the quality of its neighborhoods, the quality of education, and the diversity of leisure time activities. The Community is dedicated to fostering an easily-accessible center of activity for the Barrington area, maintaining a prosperous economic base, protecting its extensive natural resources, and promoting public participation and communication.

Monday, November 8, 2004

The Honorable Marshall S. Reagle, Village President
Members of the Board of Trustees
Residents of the Village of Barrington

Ladies and Gentlemen:

Presented for your review and consideration is the Biennial Budget for the Village of Barrington for Fiscal Years 2005 and 2006. This document represents the Village's continued commitment to improving the quality of life in the community by providing excellent services to residents, businesses, and visitors. The Budget was developed with the intent of maintaining, when appropriate, current service levels while identifying areas that could be adjusted in response to the challenges posed by the difficult economic and fiscal environment.

The services provided by the Village are made possible by the resources entrusted to it by the residents and businesses of Barrington. Elected officials and Village staff are committed to utilizing these resources to provide efficient, effective, and timely services that meet the needs of the community. The Budget is the foundation of the Village's service provision efforts. It details how resources will be used to continue existing services, improve such services if appropriate and achievable, and develop new services and programs to meet the changing needs and priorities of the community.

As with many municipalities, the resources available to the Village to be utilized for its service provision efforts are limited. The Village needs to continually assess the external environment and adjust both the types and levels of services it provides in response to the challenges presented by the environment. Any adjustments to services have to be made with the objective of continually maintaining the quality of essential services provided to the community. In addition to these considerations, the Village must incorporate the competing needs of different groups of residents and businesses throughout the budgetary decision making process.

Organizational Strategic Priorities

To balance competing priorities and services, strategic organizational priorities based on the Village's Vision Statement have been established. These priorities provide an overarching framework to guide Elected Officials and Staff in making policy decisions, overcoming fiscal challenges while maintaining adequate

service levels, and establishing budgetary priorities for particular budget periods. The strategic organizational priorities include:

- Redeveloping and revitalizing the downtown business center to encourage its re-emergence as the retail hub of the BACOG area, in a manner consistent with the overall vision of the community.
- Maintaining a comprehensive capital improvement program that identifies infrastructure needs relating to municipal buildings, streets and sidewalks, storm water management, water and sewer systems, streetscape enhancements and commuter and downtown parking facilities. A key component of the Capital Improvement Program must include identifying the funding sources to be used to address these needs and allocating the financial and staffing resources necessary to effectively maintain the improvements once they are completed.
- Maintaining the quality and integrity of public safety services provided to residents and businesses within respective service areas by continuing to promote efficient and effective Police and Fire operations.
- Modifying certain programs and services provided by operating departments with the objective of improving the overall efficiency of the organization and reallocating manpower and financial resources to priority functions.
- Maintaining and enhancing the quality of life for Village residents by emphasizing appropriate zoning, construction, and property maintenance standards in the community.
- Providing for an emergency contingency within the General Fund budget to address economic or financial fluctuations with the understanding that, to the extent that these funds are not needed to support operating costs within the General Fund, they will be transferred to the Capital Improvement Fund at year end upon approval of such transfer by the Corporate Authorities.

Accomplishments During the 2003 – 2004 Biennial Budget Period

During the 2003-2004 biennial budget period, the Village successfully advanced the strategic organizational priorities of the Village through a number of accomplishments, including:

- Renovation of the Village's Commuter Train Station and surrounding facilities. The project was largely completed in 2003 with additional minor tasks completed in 2004. The project included both the remodeling and construction of an addition to the old station. Other enhancements included the addition of public restrooms, expansion of vendor areas in terms of both number and size of the spaces and a night waiting area. The project also included the installation of (a) an additional parking lot, (b) commuter shelters, (c) additional walkways and landscaping, and (d) new electronic fare boxes to service the commuter parking lots.
- Successful continuation of the Village's Multi-Year Infrastructure Improvement Program as evidenced by the reconstruction or rehabilitation of 3.61 lane miles of streets, the reconstruction of 1,580 linear feet of sidewalk, the installation of 1,024 linear feet of sidewalk, and the reconstruction of 3,779 linear feet of water main, 5,040 linear feet of sanitary sewer main, and 947 linear feet of storm sewer main.
- Completion of the renovation of wastewater treatment facilities in 2004.
- Construction of Barrington Memorial Park on a portion of the property on which the Barrington United Methodist Church, destroyed by fire in 1998, was previously located. This property was acquired by the Village, with assistance from Barrington Township, in 2002. The development of the park was fully funded by donations and includes a memorial honoring Police Officers and Firefighters who serve or have served the community with a special emphasis on those who died in the line of duty. The park features bronze statues of a Police Officer and Firefighter, a memorial wall, brick walkways, an archway entrance, benches, landscaping, and the most recent addition, a fountain.

- Successfully completed negotiations on a new multi-year contract for recycling and refuse collection services which provides enhanced services to residents and reduced rates for commercial customers.
- Hired, trained, and equipped Firefighter/Paramedics to staff a third manned Fire Station which was established in March 2004. Successfully reassigned certain existing emergency vehicles and equipment to Station 3 to provide effective responses for emergency calls from that Station.
- Successfully completed negotiations with the Village of Inverness on fees for providing Police Services from May 1, 2004 through April 30, 2009. The contract also provides for a five-year extension in the term of the contract subject to final agreement on fees for that additional five-year period.
- Successfully negotiated the terms of the amended and restated redevelopment agreement by and between the Village of Barrington and Cook Street Plaza Joint Venture; facilitated the review and, as appropriate, the preparation of documents required prior to issuance of the permit for utility and other related work. The permit was issued and construction commenced in September 2004. Cook Street Plaza is a redevelopment project within the TIF District and involves the construction of a three-story mixed use retail-condominium development that includes two levels of underground parking with the first level to be deeded to the Village for public parking.
- Continued the Streetscape program within the Village Center, including the installation of decorative sidewalk, street lights, waste receptacles, and benches and the burial of overhead utilities. Banners and decorative planters for Village light poles were also included as part of this program. The streets that underwent streetscape improvements during 2003 and 2004 Stage III included the west side of North Cook Street between Franklin and East Main Street; South Cook Street between Park Avenue and Lake Street; Park Avenue between South Cook Street and East Station Street; East Station Street between Grove Avenue and South Cook Street; and South Hough Street between Lake Street and Station Street. Also included in 2004 were the design and engineering for the next two phases of the project.
- Submitted a first-time application for and received the Distinguished Budget Presentation Award for the Village of Barrington 2003 – 2004 Biennial Budget Document. This prestigious national award is presented by the Government Finance Officer's Association and is received by fewer than 5% of the municipalities in the United States. In 2002, only 50 (3.6%) of the 1,288 municipalities and 102 counties in the State of Illinois received this award.
- Successfully implemented several technological enhancements. One of the enhancements was the redesign of the Village's website. The former website was developed in the early stages of the Internet and had become outdated. The new website enhances Village communications with residents, businesses, and visitors and provides them with greatly expanded access to Village information and documents. Another technological enhancement was the successful linkage of Village facilities through a fiber optic network which is faster and more secure than the previous wireless network.

Organizational and Community Challenges for 2005 and 2006

The tribulations of the national, state, and regional economies will present challenges for the Village as an organization and community in 2005 and 2006 due to the significant impact that the economic environment has on the Village's fiscal health and service provision efforts. A portion of Village revenues are elastic and, as such, are strongly affected by the economic environment. Village revenues have stabilized and are no longer declining (as they did during 2001 and 2002); however, they are not increasing at the rate necessary to cover the increase in the cost of providing services. This fiscal challenge will force the Village to reassess and adjust its service efforts and priorities in 2005 and 2006. Adjustments in Village services will impact the Community and its residents by shifting resources from lower priority service activities to higher priority activities. Adjustments will also impact the organizations to which the Village contributes.

The challenging revenue environment also impacts the Village's ability to maintain the public infrastructure. The main revenue sources for the Capital Improvement Fund are the Utility Taxes which grow very slowly over time. In contrast however, construction costs typically rise faster than the general rate of inflation and will continue to outpace any growth in Utility Tax revenues. This will be a challenge for the organization and community because a well-maintained public infrastructure is one of the primary indicators of a healthy, vibrant community. Without a commitment to maintain the Village's infrastructure, future residents will have to pay more to rehabilitate decaying streets, sidewalks, storm sewers, and water and sewer mains.

Another significant challenge for the community in 2005 and 2006 is encouraging the redevelopment of the Village Center in a manner that is consistent with the desires of residents by retaining the character and scale of the Village Center. Any redevelopment must address the needs of consumers and provide the opportunity to access a variety of goods and services.

A final challenge for the Village as an organization and a community will be the ability to address public safety and welfare issues in the community. The Village will need to reconcile remaining staffing issues resulting from the expansion of Fire Protection and Emergency Medical Services through the establishment of a third manned fire station in 2004. Additional staff will be needed to insure that desired staffing levels at each station are maintained on a regular basis. The Village is in the process of renegotiating the intergovernmental agreement with Barrington Countryside Fire Protection District. The results of these negotiations may have a significant impact on the cost of providing these services.

2005 – 2006 Biennial Budget Objectives

To meet the challenges facing the Village and Community in 2005 – 2006, the Biennial Budget establishes budgetary priorities and compromises in accordance with the Village's strategic organizational priority and the policy decisions agreed upon by the Village Board at its strategic planning session held as part of the Biennial Budget process. The budgetary priorities for 2005 and 2006 include:

- Effectively manage the capital improvement program for 2005 and 2006 through the efficient utilization of revenues from Telecommunication and Utility Taxes (*reauthorized in 2004*) to comprehensively address capital improvement needs. The Village Board reauthorized these taxes in 2004 thereby ensuring an adequate level of funding for capital improvements in 2005 and 2006. If these taxes had not been reauthorized, the budget for capital improvements would have been reduced by approximately \$1.2 million for both FY 2005 & 2006 and this would have significantly reduced the Village's Street Maintenance Program and Downtown Redevelopment Efforts. With the continuation of the Telecommunications and Utility Taxes, sufficient funding will be available to address the Street Maintenance and Sidewalk Programs as well as some Business Area Improvements (*in the range of \$250,000 to \$400,000 per year*). Available funding for additional projects is not anticipated unless significant improvements in the economy are realized.
- Develop 10-year capital improvement projects financing projections as part of the budget document. This section of the budget is to be based on the Village's Multi-Year Infrastructure Improvement plan. The 10-year capital improvement projections will provide general information on future capital improvement program priorities included in the Multi-Year Infrastructure Improvement Plan so that users of the Biennial Budget document will be able to obtain information about the Village's long-term program and plans for capital improvements. The main objective of the plan is to identify the future costs associated with maintaining capital improvements so that these can be analyzed and compared to future revenue sources.
- Allocate the funds necessary to accelerate implementation of the Star Automated Meter Reading Program and, once implementation is complete, redirect the use of these funds to the repair and replacement of water and sewer mains in conjunction with the Street Maintenance Program.

- Provide, at minimum, a 5% annual reduction in current funding levels for Non-Profit organizations. In both the 2003 & 2004 Budgets, \$47,750 was contributed to Non-Profit Organizations. The objective is to reduce the combined annual commitment to not more than \$45,360 in 2005 and \$43,000 in 2006.
- Retain or, to the extent possible, reduce staffing levels in 2005 and 2006. Establish criteria for positions in each Department that will be evaluated for potential elimination or change from full-time to part-time status if the current incumbent leaves employment with the Village.
- Establish parameters for projects to be undertaken under TIF in 2005 and 2006 so that staff can prepare recommendations for funding to support the various projects the Board would like to implement in the TIF District.
- Evaluate the pros and cons of offering an early retirement option to eligible IMRF employees to address anticipated current and future budget shortfalls.
- Establish an emergency contingency of approximately 1.5% to 2.5% of the overall General Fund budget to address economic or financial fluctuations and to provide for the transfer of these funds to the Capital Improvement Fund if the revenue environment of the General Fund is positive.

Analysis of Service and Program Impacts in the 2005 – 2006 Biennial Budget

To achieve the budget priorities and compromises established for 2005 and 2006, adjustments to various programs and services have been included in the Biennial Budget. These adjustments were accomplished within the framework of the strategic organization priorities and the financial and budgetary policies and procedures that have been established. In 2005 and 2006, the Village will:

- Hire, train, and equip three (3) Firefighter/Paramedics in 2005 to address staffing issues related to paid time off for Firefighter/Paramedics. The Barrington Countryside Fire Protection District opened Fire Station 3 in March 2004. In order to effectively staff this station, an additional 9 Firefighter/Paramedics were hired by the Village. In 2005, the Firefighter/Paramedics hired in 2004 will be entitled, under the union contract, to paid time off (*commonly referred to as PTO which is the fire equivalent of vacation and holiday leave*). A significant spike in overtime costs will occur if 3 Firefighter/Paramedics are not hired to compensate for the additional time off associated with the 9 Firefighter/Paramedics hired in 2004 and normal increases in PTO time of existing sworn personnel. The Village has an intergovernmental agreement with the District that allocates wages and benefits by treating each station as a separate cost center (*the costs associated with each station are allocated according to the percentage of 1st response calls that are received by that Station from the Village and the District*). Therefore, the cost of hiring the 3 additional Firefighter/Paramedics will be shared by the Village and the District.
- Eliminate the General Fund transfer to Capital Improvements. Due to the decline in total revenues in the General Fund, the transfer from the General Fund to the Capital Improvement Fund was eliminated effective 2005. In the 2001 – 2002 Budget, the Village provided for the transfer of \$300,000 to the Capital Improvement Fund to assist in the funding of the street maintenance program. In the 2003 – 2004 Budget, this transfer in both years was reduced to \$150,000. In 2005 and 2006, the transfer is eliminated due to the decline in sales tax revenues and the increase in the Public Works operating budget to cover annual maintenance of the enhancements in the Village Center and along Route 14. The 2005 – 2006 Budget also eliminates the \$250,000 transfer that relates to the change in how MFT funds are utilized. MFT funds are now used to fund eligible annual Street Maintenance operating costs; in 2003 and 2004, \$250,000 was transferred from the General Fund to the CIP fund for the street maintenance program to offset the allocation of these funds to the General Fund. However, due to the lag in expansion of revenues as compared to increases in expenditures in the General Fund, the total transfer to the CIP fund from the General Fund has been eliminated in both 2005 and 2006.

- Fund the Street Maintenance Program and associated repairs and replacements of the Water and Wastewater Systems at the recommended level for 2005 and 2006.
- Provide for an Interfund Loan to the Tax Increment Financing (TIF) Fund, thereby reducing the number and size of bond issues and costs related to TIF improvements. This Biennial Budget provides for an interfund loan from CIP to TIF of \$400,000 in 2006. The proceeds from the loan proposed for 2006 will be used by the TIF Fund to finance streetscape improvements.
- Continue streetscape improvements within Village Center with completion of the project by 2008.
- Foster the further redevelopment of the Village Center through the continuation of the Business Assistance and Façade grant programs, construction of additional parking facilities in the downtown area, and targeted land purchases to facilitate redevelopment within the core of the Village Center. The Biennial Budget includes significant expenditures in the TIF Fund for grant programs, the construction of parking improvements in two quadrants of the Village Center, and possible contributions to redevelopment projects within the core of the Village Center.
- Maintain the financial integrity of the Village's Water and Sewer System by providing for a small annual increase in water and sewer rates to generate revenues sufficient to cover operating costs, depreciation expense, and debt service coverage requirements. Annual increases of 3% in water and sewer rates have been provided for in the budget. These three percent annual adjustment should be sufficient to maintain the current financial position of the Water and Sewer Fund assuming no significant changes in inflation. By establishing small annual increases, the Village avoids the necessity of raising rates dramatically in any one particular year. In the past, the Village had deferred rate increases for many years and as a result, found itself in the position of having to dramatically adjust base and consumption rates (*Water – 28% Base and 20% Consumption rate increases in 1998; Sewer – 40% Base and 32% Consumption rate increases in 1998*) in order to maintain positive cash flows in the Water and Sewer Fund.
- Implement Recycling and Refuse Rate increases in conjunction with the renewed agreement for recycling and refuse collection and the enhancement in services included in that agreement. The Village Board authorized the increase in rates for recycling and refuse collections in 2004 at the same time the agreement for collections was renewed (*rate increases become effective in 2005*). The 2005 – 2006 Biennial Budget reflects the additional revenues from the rate increase as well as increases in expenditures relating to the collection services agreement.
- Funding for investigation and land acquisition for additional parking options adjacent to the commuter train station to address parking and ingress and egress issues.

Revenue and Expenditure Highlights of the Recommended Budget

The services and programs included in the 2005 – 2006 Biennial Budget have produced a budget program with the following financial characteristics.

Revenues. Total Village revenues across all Funds, excluding transfers, Interfund Charges, and Other Financing Sources are estimated at \$23,994,114 in 2005 and \$24,554,840 in 2006. Other Financing Sources include \$5,000,000 in TIF bond proceeds in 2005 and \$1,250,000 in TIF bond proceeds in 2006. The proceeds from the TIF bond issues will be used primarily to finance parking improvements in the Village Center. The 2005 – 2006 Budget includes several increases in rates that will generate additional revenues, these include:

- An increase of 3% in the Water and Sewer Rates that will generate an additional estimated \$54,000 in 2005 and \$111,000 in 2006 for the Water and Sewer Fund.

- An increase of 8.5% in the Recycling and Refuse Rates in 2005 which will generate an additional estimated \$77,000 in revenues. An additional increase of 4% in 2006 is estimated to generate an additional \$40,000 in revenues.

Total Revenues, Not Including Transfers, Interfund Charges, or Other Financing Sources, 2002 - 2006					
	FY 2002	FY 2003	FY 2004*	FY 2005*	FY 2006*
General Fund	\$ 11,179,646	\$ 11,926,588	\$ 12,178,068	\$ 13,458,478	\$ 13,766,636
Capital Improvement Fund	1,643,582	1,902,914	1,522,750	1,703,000	1,723,000
Tax Increment Financing Fund	303,536	498,895	509,650	574,900	600,150
Debt Service Fund	755,169	721,469	953,450	850,156	842,254
Water & Sewer Fund	4,203,840	3,969,304	3,933,100	4,053,750	4,158,750
Recycling & Refuse Fund	742,171	796,478	847,500	942,950	980,450
Vehicle Parking System Fund	542,908	581,610	578,050	750,050	750,050
Information Systems Fund	24,940	14,505	46,000	27,750	23,750
Central Garage Fund	94,702	100,167	210,665	204,675	213,375
Fire Pension Fund	241,168	178,252	240,000	421,880	465,650
Police Pension Fund	(10,191)	1,317,580	372,000	1,006,525	1,030,775
Total Revenues	\$ 19,721,471	\$ 22,007,762	\$ 21,391,233	\$ 23,994,114	\$ 24,554,840
Percent Change/Previous Year	-16.05%	11.59%	-2.80%	12.17%	2.34%
*2004 is the projected actual; 2005 and 2006 are the budgeted amounts					

Expenditures. Total Village Expenditures across all funds excluding interfund charges and transfers are budgeted at \$32,172,799 in 2005 and \$27,257,308 in 2006. Of this total, \$10,775,750 (33.49%) in 2005 and \$5,857,000 (21.49%) in 2006 are attributable to capital improvement projects related to streets, sidewalks, downtown redevelopment, streetscape enhancements, water and sewer improvements, bikeway development, and various other capital improvements.

Operating expenditures total \$21,397,049 (66.51% of total expenditures) in 2005 and \$21,400,308 (78.51% of total expenditures) in 2006. Operating Expenditures include \$12,111,140 in Personnel Expenditures in 2005 (37.64% of total expenditures and 56.60% of operating expenditures) and \$12,811,403 in Personnel Expenditures in 2006 (47.00% of total expenditures and 59.87% of operating expenditures). Significant expenditures and changes in expenditures by fund include:

General Fund

- The transfer of employees and budgeted expenditures from the former Office of the Village Manager to the Administrative Services Department; the combined budgets in 2005 and 2006 are less than the budget of the two separate Departments in 2004.
- The Village Board Legal Services Division Budget includes \$195,900 in 2005 and \$180,900 in expenditures for legal services.
- The Risk Management Division Budget in Administrative Services includes \$707,000 in 2005 and \$625,000 in 2006 for Liability Insurance premiums. The amount of the premium for 2005 is attributable to the Village's claim experience in 2001, 2002, and 2003; this experience will continue to impact rates through 2006.
- The Police Department Budget includes \$314,157 in both years for emergency dispatch services for police, fire, and emergency medical calls. The Police Department Budget also includes \$92,500 for the replacement of the Police radio network.
- The Fire Department Budget includes approximately \$48,000 in 2005 and \$206,000 in 2006 for Personnel Costs related to the hiring of 3 Firefighter/Paramedics to provide adequate relief personnel

(these Firefighter/Paramedics will be hired in August of 2005, therefore the full annual cost of the hiring of these new employees will be reflected for the first time in 2006).

- The Public Works Street Division Budget includes approximately \$57,220 in both 2005 and 2006 for the purchase of salt for snow removal. The Street Division Budget also includes \$68,000 in 2005 and \$70,000 in 2006 for the purchase of electricity for street lighting. The Public Works Forestry Division Budget includes \$169,350 for the care and maintenance of trees and turf throughout the Village.

Total Expenditures by Fund, Excluding Interfund Charges and Transfers, 2002 - 2006					
	FY 2002	FY 2003	FY 2004*	FY 2005*	FY 2006*
General Fund	\$ 11,056,050	\$ 11,614,745	\$ 12,491,264	\$ 13,310,630	\$ 13,513,634
Capital Improvement Fund	2,576,482	1,120,159	1,724,250	2,141,250	1,470,000
Tax Increment Financing Fund	999,541	781,476	545,000	5,910,000	2,260,000
Debt Service Fund	964,941	962,065	953,450	958,020	950,561
Water & Sewer Fund	3,183,836	4,034,203	3,563,101	5,017,594	5,232,678
Recycling & Refuse Fund	793,853	802,174	841,862	845,159	887,408
Vehicle Parking System Fund	1,558,117	758,939	749,825	1,699,972	718,115
Information Systems Fund	198,660	133,474	292,556	416,203	347,811
Central Garage Fund	621,806	752,195	1,066,195	946,472	833,101
Fire Pension Fund	7,482	9,119	16,250	50,150	50,150
Police Pension Fund	459,940	534,380	687,396	877,350	993,850
Total Expenditures	22,420,708	21,502,929	22,931,149	\$ 32,172,799	27,257,308
Percent Change/Previous Year	2.42%	-4.09%	6.64%	40.30%	-15.28%
*2004 is the projected actual; 2005 and 2006 are the budgeted amounts					
Capital Expenditures	4,188,409	2,450,513	2,269,250	10,775,750	5,857,000
Capital Expenditures % of Total	18.68%	11.40%	9.90%	33.49%	21.49%
Operating Expenditures	18,232,299	19,052,416	20,661,899	21,397,049	21,400,308
Operating Expenditures % of Total	81.32%	88.60%	90.10%	66.51%	78.51%
Personnel Expenditures	9,114,195	9,802,045	10,654,337	12,111,140	12,811,403
Personnel Expenditures % of Total	40.65%	45.58%	46.46%	37.64%	47.00%
Personnel Expenditures % of Operating	49.99%	51.45%	51.57%	56.60%	59.87%

Capital Improvement Fund

- Includes \$1,395,000 in both 2005 and 2006 to continue the Street Maintenance Program.
- Includes \$350,000 in 2005 for design and engineering work to improve the Hart Road intersection.
- Includes \$125,000 in 2005 for the stabilization of the Flint Creek Stream Bank in the Public Works Facility.
- Includes \$85,000 in 2005 and \$75,000 in 2006 for the installation and maintenance of sidewalks.

TIF Fund

- Includes \$5,000,000 in 2005 and \$1,250,000 in 2006 for land acquisition and the design, engineering, and construction of parking improvements in the Village Center.
- Includes \$250,000 in both 2005 and 2006 for the Façade and Business Assistance Grant programs as well as the Low Interest Loan Program.

- Includes \$400,000 in 2005 and \$500,000 in 2006 for the continuation of Streetscape enhancements.

Water and Sewer Fund

- Includes \$500,000 in 2005 and \$1,075,000 in 2006 for the design, engineering, and construction of a retention area for sub-drainage area 3 in conjunction with the inflow/infiltration repair program.
- Includes \$490,000 in 2005 and \$662,000 in 2006 for water and sewer system improvements in conjunction with the Street Maintenance Program.

Information Systems Fund

- Includes \$231,511 in 2005 and \$160,000 in 2006 for the purchase of software, hardware, and network equipment.

Central Garage Fund

- Includes \$526,900 in 2005 and \$401,400 in 2006 for the purchase of new vehicles and associated equipment. Major purchases in 2005 include an ambulance for \$150,000, a front end loader truck for \$110,000, and three (3) police squad cars for \$78,000. Major purchases in 2006 include an ambulance for \$150,000, a five-ton dump truck for \$85,000, and four (4) police squad cars for \$106,000 (*please review the Public Works Department Budget Summary on Pages 197-217 for a description of all of the equipment to be purchased by Central Garage*).

Summary of Fund Balance Changes and Ending Totals

Village Budget and Financial Policies (*please see Pages 32-38*) require every accounting fund to have a balanced budget according to the guidelines established by Village Policy (*definitions of a balanced budget for each fund can be also be found in the Budget and Financial Policies section on Pages 32-34*) for each fiscal year with any exceptions to be noted and explained in the Transmittal Letter. In 2005 and 2006, all accounting funds except for the Motor Vehicle Parking System Fund meet this requirement.

Ending Fund Balances / Net Assets, 2002 - 2006					
	FY 2002	FY 2003	FY 2004*	FY 2005*	FY 2006*
General Fund	\$ 10,760,271	\$ 11,107,779	\$ 11,031,866	\$ 10,800,351	\$ 10,842,257
Capital Improvement Fund	5,638,413	6,821,168	7,164,668	6,726,418	6,979,418
Tax Increment Financing Fund	(3,700,747)	(3,975,844)	(4,375,844)	(4,710,944)	(5,520,794)
Debt Service Fund	503,318	375,522	391,523	398,023	404,523
Water & Sewer Fund	21,684,668	21,736,769	22,096,842	22,151,096	22,645,456
Recycling & Refuse Fund	67,715	97,018	100,009	115,049	131,296
Vehicle Parking System Fund	3,656,899	3,479,570	3,261,295	3,178,681	3,077,717
Information Systems Fund	595,892	740,986	840,464	736,297	649,853
Central Garage Fund	3,188,743	3,308,794	3,644,404	4,185,093	4,576,135
Fire Pension Fund	2,019,025	2,404,967	2,828,086	3,676,212	4,613,053
Police Pension Fund	11,884,262	12,880,585	12,903,683	13,408,153	13,845,874
Total Fund Balance/Net Assets	\$ 56,298,459	\$ 58,977,314	\$ 59,886,996	\$ 60,664,429	\$ 62,244,788
Percent Change/Previous Year	6.21%	4.76%	1.54%	1.30%	2.61%
*2004 is the projected actual; 2005 and 2006 are the budgeted amounts					

The Motor Vehicle Parking System Fund is projected to have a negative Change in Net Assets of \$82,614 in 2005 and \$100,964 in 2006. The negative Change in Net Assets is caused by increased costs for maintenance at the newly renovated Train Station, snow removal for the commuter parking lots, and commuter parking lot leases. The Motor Vehicle Parking System Fund is constrained in its ability to

generate additional revenues from the commuter parking lots and the increases in operational costs have exceeded the Fund's ability to generate revenues.

Total Ending Fund Balances (*Governmental Funds*) and Net Assets (*Enterprise, Internal Service, and Pension Funds*) across all funds are projected to be \$60,664,429 in 2005 (a 1.30% increase) and \$62,244,788 in 2006 (a 2.61% increase).

Analysis of Personnel Changes

In 2003, the workforce of the Village was reduced through attrition with the resignations of both the Village Manager and the Economic Development Director. Their responsibilities were reassigned to existing staff and both positions were eliminated. This reduction in workforce helped balance the 2004 Budget and will help, given the tight revenue environment projected for 2005 and 2006, in developing a balanced budget in both 2005 and 2006.

The 2005 – 2006 Biennial Budget includes the addition of three (3) Firefighter/Paramedics in 2005 and an increase of in the number of hours for the part-time Assistant Director of Administrative Services (*the increase is equivalent to .05 full-time equivalent hours, from .75 to .80 FTE hours, thereby increasing the number of hours worked by this position from 1,560 hours to 1,664 hours during a year*). The additional Firefighter/Paramedics will be hired in August of 2005. The increase in the hours of the Assistant Director of Administrative Services will be effective in January 2005. The following chart reflects these additions.

Full-Time Equivalent Employees by Fund / Department

	<u>FY 2004</u>	<u>FY 2005</u>	<u>2004 - 2005 Change</u>	<u>FY 2006</u>	<u>2005 - 2006 Change</u>
<i>General Fund</i>					
Village Board	0.40	0.40	0.00	0.40	0.00
Administrative Services	10.24	10.27	0.03	10.27	0.00
Police Department	39.60	39.60	0.00	39.60	0.00
Fire Department	38.00	41.00	3.00	41.00	0.00
Public Works	11.48	11.48	0.00	11.48	0.00
Building and Planning	6.42	6.42	0.00	6.42	0.00
<i>General Fund Total</i>	106.14	109.17	3.03	109.17	0.00
<i>Water and Sewer Fund</i>					
Administrative Services	1.30	1.32	0.02	1.32	0.00
Public Works	17.70	17.70	0.00	17.70	0.00
<i>Water and Sewer Fund Total</i>	19.00	19.02	0.02	19.02	0.00
<i>Recycling and Refuse Fund</i>					
Administrative Services	0.88	0.88	0.00	0.88	0.00
Public Works	0.78	0.78	0.00	0.78	0.00
<i>Recycling and Refuse Fund Total</i>	1.66	1.66	0.00	1.66	0.00
<i>Motor Vehicle Parking System Fund</i>					
Administrative Services	0.53	0.53	0.00	0.53	0.00
Police Department	5.10	5.10	0.00	5.10	0.00
Public Works	1.28	1.28	0.00	1.28	0.00
<i>Motor Vehicle Parking System Fund Total</i>	6.91	6.91	0.00	6.91	0.00

(Chart continues on following page)

Full-Time Equivalent Employees by Fund / Department

<i>Information Systems Fund</i>					
Administrative Services	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>	<u>1.00</u>	<u>0.00</u>
<i>Information Systems Fund Total</i>	1.00	1.00	0.00	1.00	0.00
<i>Central Garage Fund</i>					
Public Works	<u>3.05</u>	<u>3.05</u>	<u>0.00</u>	<u>3.05</u>	<u>0.00</u>
<i>Central Garage Fund Total</i>	3.05	3.05	0.00	3.05	0.00
<u>Overall Village Totals</u>	<u>137.76</u>	<u>140.81</u>	<u>3.05</u>	<u>140.81</u>	<u>0.00</u>

Please review Appendix A – Personnel Analysis on Pages 301-305 of this document for a more thorough examination of Village staff numbers and the associated personnel costs.

Conclusion

The proposed 2005 – 2006 Biennial Budget is the result of considerable discussion and careful deliberation and analysis by the Director of Administrative Services, the Assistant Director of Administrative Services, the Department Directors, and various staff members from each of the operating Departments who contributed to the development of the Departmental budget requests. Programmatic format and information content is largely due to the diligent efforts of Jason Hayden, Assistant Director of Administrative Services. The Budget is optimistic about the future but conservative in its revenue estimates. Most of all, this Budget is the result of a process in which the various opportunities and challenges facing the Village have been carefully assessed, documented, and presented for your review and consideration.

Denise Pieroni
Director of Administrative Services/Treasurer

Jason Hayden
Assistant Director of Administrative Services/
Assistant Treasurer